



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
PHILADELPHIA REGIONAL OFFICE  
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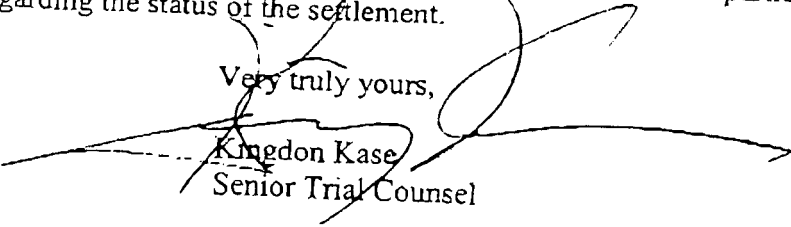
Honorable Jan E. DuBois  
12613 United States Courthouse  
601 Market Street  
Philadelphia, Pennsylvania 19106

Re: SEC v. Michael A. Liberty, et al.  
Civil Action No. 06-1030 (E.D. PA) (JD)

Dear Judge DuBois,

I am providing you with this joint report on behalf of the plaintiff, Securities and Exchange Commission ("Commission"), and defendant Michael A. Liberty. As we have previously reported, these parties have reached an agreement in principle as to the terms of a settlement that the staff of the Commission is prepared to recommend to the Commission. Since our last joint report, Mr. Liberty has provided the staff with a signed Consent to the settlement terms, an updated Consent for Release of Consumer Credit Report, and additional financial information. However, additional time is necessary for Mr. Liberty to supplement certain of the information he has provided to the staff, and then for the staff to complete its settlement recommendation and obtain Commission approval. Under the circumstances, the parties jointly request that the Court continue this case for an additional 90 days, at which time the parties will again report to the Court regarding the status of the settlement.

Very truly yours,

  
Kingdon Kase  
Senior Trial Counsel

cc: Ivan B. Knauer, Esquire (via facsimile)